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DE RUEHZP #1738/01 3061855 ZNY SSSSS ZZH R 021855Z NOV 07 FM AMEMBASSY PANAMA TO RUEHC/SECSTATE WASHDC 1366 INFO RUEHME/AMEMBASSY MEXICO 3679 RUEHCV/AMEMBASSY CARACAS 1152 RUEHUB/USINT HAVANA 0083 RHMFISS/CDR USSOUTHCOM MIAMI FL RUEAIIA/CIA WASHDC RHEFDIA/DIA WASHDO RUCNFB/FBI WASHINGTON DC RHMFISS/DEPT OF JUSTICE WASHINGTON DC RUCPDOC/DEPT OF COMMERCE WASHDC RUMIAAA/HQ USSOUTHCOM MIAMI FL RHMFISS/JOINT STAFF WASHINGTON DC RHEHAAA/NSC WASHDC RUEKJCS/OSD WASHDC RUEKJCS/SECDEF WASHDC

S E C R E T PANAMA 001738

STPDTS

SIPDIS

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TAGS: PGOV PREL ECON KCRM KJUS PTER CU VE MX PM

SUBJECT: PANAMA: SOMBER 1ST VP & FM UNLOADS PRIVATELY WITH

AMBASSADOR

Classified By: Ambassador William A. Eaton. Reasons: 1.4 (b) and (d).

Summary

11. (S) "I do not trust Pedro Miguel Gonzalez (PMG)," First VP and FM Samuel Lewis confessed to Ambassador while conceding that President Martin Torrijos was unlikely to dissuade PMG from stepping down from the Presidency of the National Assembly thereby clearing the way for the U.S. Congress to consider the U.S.-Panama Trade Promotion Agreement (TPA). (Note: PMG is federal under indictment on five counts in connection with the 1992 murder of a U.S. serviceman.) This aspirant to succeed Torrijos as president acknowledged that his political future at risk; "That is what is in play." Lewis preidcted that current Minister of Housing Balbina Herrera might well be the governing Revolutionary Democratic Party (PRD) candidate for president. Lewis also predictedhis views on the state of play in the opposition and touched upon Cuba, Venezuela, and Mexico. End Summary.

PMG Unlikely to Step Down

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¶2. (S) "President Torrijos is in the midst of delicate discussions with Pedro Miguel," Lewis told Ambassador, seeking a way for PMG to step down. "We realize that the window of opportunity for the TPA is closing and that we have to do something this week." Lewis asked that the Embassy "keep radio silence" for the next week so as not to complicate these sensitive negotiations. Sighing, Lewis then broke from his "talking points" and confessed, "I do not trust Pedro Miguel." Lewis was pessimistic that anything would come from Torrijos' discussions with PMG and added that PMG did not really care if he scuttled the TPA.

Lewis' Political Future

13. (C) "I'll be keeping a very low profile over the next few

months," Lewis said, avoiding the press and steering clear of public events as much as possible. "I've become a lightning rod within the PRD. My visibility at this time will hurt Martin and what we have been trying to accomplish within the PRD." Expressing his frustration with the "leftward and backward drift" of the PRD, Lewis asserted that the PRD's future was in pragmatic and pro-trade policies, not nostalgic frolicking with echoes of the past. He expressed his worries regarding the current divisions within the PRD, the weakening of Torrijos' political position, and belief that the PRD's prospects for reelection in 2009 could be jeopardized. "We had hoped the party would choose continuity as its path to reelection. That path is in jeopardy." Asked if all this meant that he would not be the PRD's candidate for president, Lewis shrugged, frowned and confessed that he did not know what political future he might have; "That is what is in play." He said that he needed to lie low for awhile to see if the political panorama changed in his favor.

Balbina's Political Future

14. (C) Balbina and her supporters are behind the scenes making a very strong and aggressive push for candidacy for president, Lewis said. "She has enormous support within the party," he said, "and barring any major change in the political climate, she will be the PRD candidate for president." Allegedly, PMG was also toying with the idea of throwing his hat in to the ring in the race for president, but Lewis dismissed that as evidence of the "dream world" in which PMG lived.

Opposition Politics

15. (C) Lewis commented that Torrijos and he had been "surprised" with Democratic Change (CD) Party President Ricardo Martinelli's sustained high standing in the polls. Regardless of whatever efforts the opposition might undertake to unify themselves behind a sole candidate, Lewis said he believed that Martinelli would run for president. "The problem with the opposition," he said, "is that they are spending all their time debating who should be their leader instead of designing a compelling political platform to unify the opposition and gain widespread public support." Former President Mireya Moscoso was pushing Alberto Vallarino's candidacy to lead the opposition, but Vallarino was awaiting his "coronation" rather than doing the hard work of campaigning nationwide, Lewis said. "Do not discount (Panamenista Party President) Juan Carlos Varela's ability to scuttle Vallarino's ambitions despite La Dona's (Moscoso's) support." "The election of Pedro Miguel has handed the opposition an election-winning issue on a silver platter," Lewis asserted. There were some in the PRD who still thought that the PRD's organizational strength and nationwide presence would guarantee reelection, Lewis explained; "Do not count on that any more. The PRD is on the ropes now, because of the PMG and TPA issue.

Cuba

16. (C) Lewis reminded Ambassador that he would be heading to Cuba next this weekend to lead a Panamanian trade delegation. He acknowledged that some in the U.S. would "misread" his trip. Lewis said that he would call WHA A/S Shannon to inquire whether there was "any water" that he could carry for the U.S. during his visit to the island. Lewis committed to share with Ambassador his impressions and insights from his visit once he had returned.

Venezuela

(C) Asked if recent newspaper gossip column items asserting that Torrijos would visit Chavez soon were true, Lewis laughed and said that the current Venezuelan Charge d'Affaires in Panama was "even crazier" than the former Ambassador. Though he had never met with the him, Lewis explained, the Venezuelan Charge was telling his interlocutors that he had met Lewis, and was "quoting" conversations that never happened and promises that were never made. "I could not even pick him out of a crowd." Lewis confirmed that Torrijos had asked to meet Chavez on the margins of the Ibero-American Summit in Chile where Torrijos would talk about energy and push back on Venezuela's proposed ambassador to Panama. Though Panama had denied agrement, Chavez refused to withdraw the nomination and continued to push it. Panama was concerned about the proposed Venezuelan ambassadorial candidate's reputation and track record as Consul General in Sao Paolo for inciting leftist groups. Torrijos would complain to Chavez about the interference of his Charge in Panamanian internal affairs, including his trip last weekend to Bocas del Toro province where he pushed leftist groups to support the "Bolivarian movement."

Mexico

18. (C) Lewis noted that he just returned from Mexico where he had tried unsuccessfully to negotiate an agreement between Panamanian airline COPA and Mexican airline Mexicana. Lewis said he was struck by how well the Calderon Administration was doing. "Fox said the right things, but could not deliver. Calderon's folks are tough negotiators, but when

you reach agreement, they actually deliver on their promises," Lewis commented.

Comment

19. (S) Lewis clearly sees the writing on the wall that his presidential candidacy, barring some intervention from a benevolent God, is dead. Also, for the first time, he seemed genuinely depressed and pessimistic about the prospects for the TPA in the U.S. Congress. Furthermore, he was quite blunt about his frustration with the Torrijos Administration's ability to "fix" the PMG problem and the long-term disastrous effects that this failure would have on Panama, on the PRD, and him. Lewis came across as beleaguered and sad. Lewis seems to be increasingly uncomfortable in the PRD where he feels like an outsider.